

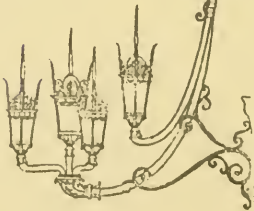
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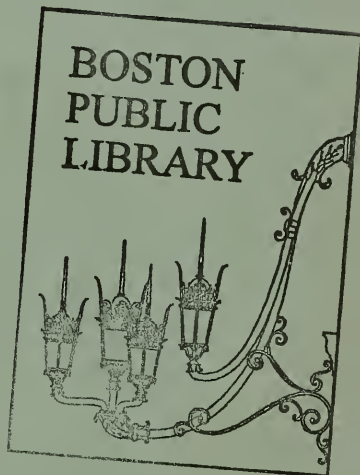
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# SUBSIDIZED HOUSING IN THE SOUTH END

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SUBSIDIZED HOUSING IN THE SOUTH END

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## INTRODUCTION

As many South Enders may know, the BRA is required to arrive at a financial settlement for the South End project with the Department of Housing and Urban Development. The financial settlement entails an evaluation of the remaining project and allocation of remaining funds for these activities. This provides us with an opportunity to pause, assess the progress of the project over the past 10 years, update the program and, if necessary, amend the urban renewal plan in the light of our experience.

To this end, the BRA has retained the services of two consultants to conduct an in-depth attitudinal survey of the South End and, with the assistance of SEPAC, to undertake a comprehensive citizen participation review which will take the form of neighborhood-wide hearings, less formal workshops and close communication with existing groups and agencies.

In this way we can determine as accurately as possible what the community wants and what can be done to satisfy these needs. It is, as mentioned, a public planning process and the success of this undertaking requires widespread participation by all residents of the South End.

Of all the aspects of renewal to be examined in this public planning process, subsidized housing is by far the most complex and controversial. In order to help residents arrive at some understanding of this intricate and emotional issue, and to set forth the BRA's position with respect to this important neighborhood concern, we have prepared this report as a

point of departure for future discussions. It presents a brief and updated history of the longstanding housing debate in the South End, outlines the objectives of the 1966 renewal plan, and the extent to which the present level of new and rehabilitated subsidized housing fulfills these objectives. The report also reiterates and reinforces the conclusions drawn in the BRA's 1974 preliminary report entitled "Housing in the South End" and makes several recommendations with respect to present and future housing policies.

This report should be analyzed within the framework of the above-mentioned planning process, which will produce up-to-date demographic data and other pertinent information and should lead to informed and rational decision-making about the future of the South End. Such a procedure, I submit, is the best and fairest way to resolve neighborhood issues. I invite all who care about the future of the South End to join with us in the effort.

Robert J. Ryan, Director  
Boston Redevelopment Authority

September 1978

## I. FORMULATING THE RENEWAL PLAN



## I. FORMULATING THE RENEWAL PLAN

In the late 1950's, the South End was a microcosm of mid-twentieth century urban life, plagued with the problems of dwindling population, poverty and decay that typified old inner-city neighborhoods throughout the country.

Yet for many of its residents, the South End was a viable, low-rent area of the city for the lodging house tenants, the elderly, first and second generation families of middle- and far-eastern origin, and the recently arrived Southern Blacks and Spanish-speaking. In all, close to forty ethnic groups made up the population, concentrated for the most part in homogeneous enclaves and scattered throughout the area.

Some form of urban renewal was urgently needed: banks refused to issue mortgages, demolition was proceeding at an alarming rate, schools and other community facilities were either outmoded or lacking altogether, and the water and sewer system was archaic. Furthermore, the existing housing stock was rapidly deteriorating and in need of substantial repair, and it was doubtful that local residents would or could rehabilitate their properties in accordance with local codes and ordinances.

In 1960, the key to the development program was the rehabilitation of Boston's deteriorating neighborhoods. Instead of bulldozing massive areas within run-down districts, programs were launched to preserve their social and physical fabric, and the basic concern became the



maintenance and improvement of the existing housing stock. The focus of urban renewal in the South End was rehabilitation on a very large scale.

Unlike most other urban neighborhoods, however, the South End had a unique architectural integrity, coupled with its proximity to the downtown, that provided the potential for the development of an attractive, middle-and upper-middle income neighborhood. The northeasterly section of the area, within walking distance to the central business district, was beginning to arouse the interest of young professionals. Spurred on by expanding office construction downtown, as well as by the development of the Prudential Center complex directly to the west, a new market appeal was starting to emerge in the South End. By the mid-1960's, private developers and higher-income families were buying and rehabilitating the old brick townhouses in small but increasing numbers.

Because Federally-funded urban renewal program required that community residents approve the plan and that local owners make considerable investments in order to bring their properties up to standard, it was crucial that residents of the area have confidence in any renewal plan proposed for their community. In the South End, privately financed rehabilitation was seen as the key to the plan's success.

In 1961, a committee was formed consisting of South End neighborhood representatives and leaders drawn from local businesses and institutions. Together with the Boston Redevelopment Authority's project team, the committee held a series of meetings with the various neighborhood associations. Although the meetings were heavily oriented

toward homeowners, one of the major issues raised centered on the debate between a planning effort directed at the needs of existing South End residents versus one geared towards encouraging the movement of higher income people into the Project Area.

In The Rehabilitation Planning Game, Langley Keyes writes that, in the early days of renewal, some people involved in planning the new South End believed that:

only with renewal was there any hope of preserving the heterogeneous racial and social residential population in the area -- that without renewal there would be a gradual end to the rooming house population as owners sold out to (higher-income residents) who would convert the bowfronts to single family use. With renewal, there was hope of some public housing, housing for the elderly, and non-profit 221(d)(3) housing, as well as relocation services for the dispossessed.

Others maintained that... rather than limiting the spread of middle-class families and rents, the renewal process ensured that the district would be open wide to (them). Groups dependent on low rents would be squeezed out by the economics of rehabilitation and by upward pressure on property values -- pressure that benefits the resident homeowner but not the renter.\*

The BRA was not willing to promote extensive privately financed rehabilitation because it would jeopardize its relationship with the neighborhood associations, whose support was ultimately needed for approval of the plan.

\* Keyes, Langley Carlton, Jr. The Rehabilitation Planning Game, A Study in the Diversity of Neighborhood. Cambridge, MA: MIT Press, 1969. Chapter III.

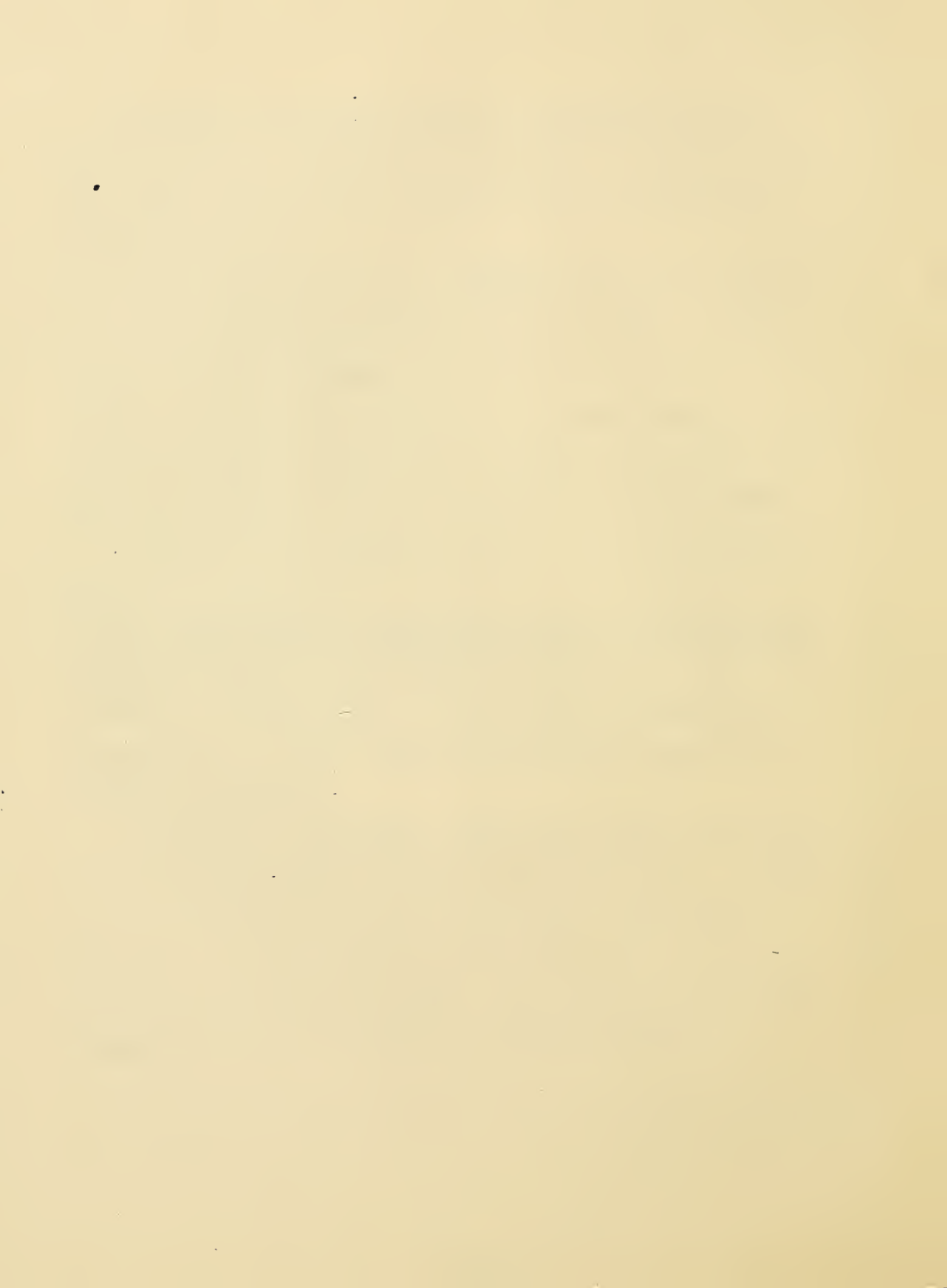
Accordingly, the Authority favored an approach that would not turn over the area to the higher income residents, but that would allow the existing citizenry to have a significant voice in planning and developing the South End.

After five years of extensive negotiations with numerous community groups and neighborhood associations, the Urban Renewal Committee provided a general endorsement and affirmation that the plan was responsive to the needs of the neighborhood. A public hearing was held in August of 1965, the Loan and Grant Application received City Council approval on December 6, 1965, and HUD approval on June 18, 1966.

Plan approval set in motion an infusion of funds into the South End for the construction of new schools, parks and playgrounds, a library, hospital facilities, industrial space and the development of subsidized housing for low and moderate income families. Street widenings, street resurfacing, new street lighting, landscaping and upgraded sewer and water systems made up the bulk of public improvements expenditures.

Plan approval, unfortunately, did not signal an end to the distrust that had cropped up among disparate neighborhood interests. Although 3,300 new housing units for lower income families were projected for construction, plus an unspecified number scheduled for renovation -- under a new Federal housing subsidy -- some community groups were suspicious of the BRA's willingness to fulfill this commitment.

## II. IMPLEMENTING THE HOUSING COMPONENT OF THE RENEWAL PLAN



## II. IMPLEMENTING THE PLAN

### SOME GENERAL OBSERVATIONS

In its efforts to implement the South End Urban Renewal Plan, the BRA for more than a decade has been caught in the almost constant crossfire between the proponents of two progressive but fundamentally incompatible ideals of modern day urban America:

- improving the neighborhood's physical environment through the rehabilitation of its existing housing; and
- insuring the availability of housing at rent levels affordable by lower income residents.

On the one hand, the BRA was charged with the formidable task of carrying out an ambitious, six-hundred acre renewal project, designed to eliminate substantial blight and to stabilize property values by making the South End a more attractive and cohesive community. On the other, the BRA had the equally formidable responsibility for protecting and maintaining the South End's unique ethnic, income and racial mix.\*

These seemingly worthwhile and consonant goals, each with its own internal logic, were espoused during the planning period by the BRA and moderate South Enders in response to divergent interests within the neighborhood. They have instead turned out to be mutually antagonistic sources of conflict that have divided and polarized the community since the beginning of the implementation process.

\* Real Estate Research Corporation. Urban Renewal Land Disposition Study: Boston, MA, 1974. Chapter V.

## THE TENT CITY DEMONSTRATION

During the first two years of implementation following approval of the renewal plan in 1966, a controversy arose over the manner in which the BRA was proceeding with new housing development.\* In April of 1968, the Community Assembly for a Unified South End (CAUSE), caught up in the growing unrest kindled by the Civil Rights Movement and the Viet Nam War, organized the Tent City demonstration at the Fitz-In parking lot on the corner of Dartmouth Street and Columbus Avenue. At issue was the acquisition and demolition of buildings on parcels scheduled for new construction that involved uprooting and relocating hundreds of households, and at that point no new housing had yet become available within the South End to accommodate them. But whether CAUSE represented the feelings of the South End as a whole, in calling for a moratorium on family relocation, land acquisition and demolition, was open to some question. Other South End groups had been expressing concern that these renewal operations were not moving fast enough.

A month later, the BRA ordered that all demolition stop in response to neighborhood demands that no relocation would continue until subsidized, low-rent housing was built, or until occupied buildings were needed to make way for impending development.

\* Urban Planning Aid. Urban Renewal's Effect on Low Income Housing in Boston's South End. Cambridge, MA, 1967.



## THE FIRST SEPAC ELECTION

The following year, a local election sponsored by the city was held to select 35 members of a South End Project Area Committee.\* This organization was given a broad range of responsibilities by the Mayor's Office in an attempt to ensure that the implementation of the renewal plan would, from then on, be consistent with the interests and concerns of all South End residents.

Lower income tenant organizations were formed to articulate their housing needs and, for the first time, to make their views known in public meetings and planning sessions throughout the community. In the rush to produce new relocation housing, construction on several large, federally subsidized, multi-family projects began the following year.

## THE CONTROVERSY BEGINS TO CRYSTALLIZE

At about this same time, portions of the red line drawn by bankers around the South End for almost a century gradually faded as local lending institutions began to look favorably upon writing mortgages in the more stable sections of the district. This open-handedness was due, for the most part, to the rapidly expanding private housing market in the northeasterly sector. Drawn to the

\* An organization representing lower income residents -- The People's Elected Urban Renewal Committee -- held separate elections at the same time. While it never exercised any formal authority, its representatives nonetheless were active in influencing renewal policies for several years.

neighborhood because of its convenient in-town location, its ethnic heterogeneity, and its abundant supply of inexpensive, well-built and spacious Federal townhouses bristling with heavy, Italianate cornices and bracketed door hoods, these eager newcomers were settling in the South End in ever increasing numbers.

As the influx of higher-income residents swelled, in the early 1970's, many poorer families grew apprehensive about being pushed out of the neighborhood. Several community groups formed at various points along the grass-roots political spectrum to express the needs and interest of the long-time residents and the newcomers.

#### THE AD HOC COMMITTEE FOR A SOUTH END FOR SOUTH ENDERS

The Ad Hoc Committee (for a South End for South Enders) grabbed in earnest onto one end of the increasingly knotty issue and ardently pulled for the continued construction of subsidized developments for low-income families. They contended (1) that hundreds of poorer residents displaced by both public renewal action and private rehabilitation were forced out of the South End because of an insufficient supply of low-rent housing; and (2) that because the vast majority of remaining South End residents were too poor to compete for living quarters in the rapidly rising market, more assisted housing was their only hope for staying.

## THE COMMITTEE FOR A BALANCED SOUTH END

At the other end, a group of middle-income residents referring to themselves as the Committee for a Balanced South End\* dug in their heels and argued vehemently that the South End was already straining under too great an infusion of subsidized projects and of their accompanying clusters of social service agencies.

They claimed that the city had embarked on a policy to make the South End a dumping ground for social problems which other communities should shoulder equitably.\*\* In addition, the Balance Committee maintained that such large concentrations of lower income families resulted in increased criminal activities, thereby (1) jeopardizing the personal safety and well-being of others living in the surrounding blocks; (2) placing extra demands on already over-burdened neighborhood services; and (3) damaging the prospects for future private investment in the area.

## THE SOUTH END CITIZENS' ASSOCIATION

Struggling somewhere in between these two extreme and highly vocal convictions was the South End Citizens' Association, which put forth a more moderate position that tried to reflect a broader perspective and a

\* When it was originally organized, this group called itself the Committee for a Better South End, then later changed to the Committee for a Balanced South End. To avoid confusion, it is referred to throughout this report as the latter, or Balance Committee.

\*\* The fact that managers of most subsidized housing developments in the South End were refusing to accommodate displaced South End families from the BRA's relocation caseload, but instead were filling their buildings with many lower income families from outside the South End, lent credence to this concern.

more inclusive range of interests. Sometimes finding themselves with the difficult and frequently futile task of refereeing the contest between the Ad Hoc and Balance Committees, they acknowledged the need for continued privately financed rehabilitation while at the same time supporting the construction of additional subsidized housing.

#### THE ATTACKS AGAINST GOLDWEITZ

In November of 1973, the Ad Hoc Committee launched its first of what was to become a series of volleys against developer Mark Goldweitz, charging that his widespread rehabilitation activities were forcing low income residents from the South End. The Committee circulated reports, pasted up posters, handed out leaflets, distributed press releases, held news conferences, picketed the South End Historical Society's Victorian Ball at the Boston Center for the Arts, and disrupted the annual South End House Tour, seldom bypassing an opportunity to accuse Goldweitz of being the epitome of the exploitive landlord and arrogant land speculator.

Goldweitz, a South End resident for 5 years, rebutted these charges by maintaining that he acquired only vacant shells that were often fire-gutted and uninhabitable. His performance demonstrated that few were displaced by his rehabilitation activities, and that his efforts were adding units to the South End housing stock rather than destroying them as the Ad Hoc Committee claimed.

#### THE FIRST COURT SUIT

In the Winter of 1974, the Balance Committee found itself unable to influence neighborhood housing policy at either the conference table or in public forums. In addition, its members were outraged by the Ad

Hoc Committee's continued attacks on Goldweitz, whose rehabilitation efforts they strongly supported. That March, the Balance Committee pushed the struggle into the courtroom and escalated the polemics to a new level. Claiming that HUD had neglected to prepare an environmental impact statement describing the effects of the development upon the surrounding neighborhood, the plaintiffs\* were seeking an injunction to halt the rehabilitation of 185 subsidized housing units about to get underway by the Tenants' Development Corporation. In the end, the plaintiffs' attorney failed to convince the judge, and the rehabilitation went forward as scheduled.

#### THE HOUSING REPORTS

Shortly thereafter, the BRA, in an optimistic attempt to bring the increasingly volatile dispute to a head, released a preliminary report entitled "Housing in the South End." The report evaluated the production of subsidized housing since the implementation of the renewal plan began in 1966, and outlined some tentative conclusions and recommendations for community review and discussion. In conjunction with the report's release, the Mayor set up a special housing committee to produce a final document that not everyone might agree with but that at least would afford the chance for all views to be aired and discussed openly.

Drawn from elected members of SEPAC, and carefully selected to ensure that all divergent interests were fairly represented, the Committee was charged with examining the many complex and interrelated pieces of

\* Wilson vs. Lynn, U.S. District Court, March 1974.



the housing picture and recommending to the Mayor specific courses of action. While it was suspected that this difficult and time-consuming task would probably not settle the housing debate entirely, it was hoped that the process would at least ameliorate some of the bitter and deep-seated ill will that had in recent months grown so pervasive throughout the community.

After more than a year of thorough and laborious research, which included several months of well-attended public testimony and countless interviews with residents, developers, bankers and government officials, the Committee issued a highly detailed and rigorously comprehensive document that evaluated virtually every facet of South End housing. Recommendations were made concerning community planning, existing FHA subsidized multi-family development, private development and banking, inspection and code enforcement, and taxation. No consensus was reached, however, on several of the more controversial issues, particularly the amount of future public programs for subsidized housing.

While consistently objective and well-reasoned arguments were made in support of first one side then another throughout the study period, no common ground could be found to accommodate simultaneously these disparate viewpoints. At the core of this debate there appeared to be no villains, no heroes, and in keeping with its very essence, little room for compromise. In its final report, the Committee printed the minority recommendations alongside those of the more moderate majority, indicating that, although the South End was still deeply divided over some aspects of this perplexing dilemma, its residents could at least sit down together and talk about it.

## MORE LAWSUITS

In the Summer of 1974, while public hearings were being held by the Special Housing Committee, the Balance Committee brought another suit against Concord Homes\* to stop the construction of 181 units of subsidized housing on Tremont Street. Although the Balance Committee failed to win its case, the judge directed that the defendants make every effort to provide 25 percent of their units at market rentals. Construction went ahead, but because the developer apparently got no applicants for the higher-income units, they were converted to subsidized apartments.

In yet another suit brought in August of the following year, the Balance Committee tried to stop the construction of 181 units in Phase I of the Emergency Tenants Councils' (now IBA) Viviendas La Victoria project. These units were part of a considerably larger and highly visible subsidized development (in both new and rehabilitated buildings) in the center of the South End, put together and managed by Hispanic residents. Like the others, this suit also proved to be unsuccessful.

The most recent litigation began in January, 1976 when the BRA approved plans to start rehabilitation work on the new 350-bed Pine Street Inn in the South End. The only facility of its kind that took in actively drinking homeless alcoholics, the Inn had provided basic shelter, safety, food and clothing to homeless and indigent men at its nearby location in South Cove for the past 50 years. Its building however was scheduled for demolition to make way for new housing as part of the urban renewal plan for the Chinese community. In fulfilling its re-

\* Moran vs. Concord Houses, U.S. District Court, 1974.



sponsibility to assist those displaced by urban renewal activities, the BRA made available four vacant buildings in the blighted and under-utilized industrial section of the South End, several blocks from the nearest residential area. With \$3 million from the Department of Community Affairs, the Boston Housing Authority was scheduled to rehabilitate these buildings and lease them to the Inn in order that it could continue to serve the needs of the homeless and destitute in this area of the city. SEPAC had approved the proposed rehabilitation by a wide margin, and rehabilitation was scheduled to begin shortly.

Believing Pine Street's relocation to be but yet another example of the city's plan to make the South End a dumping ground for social problems, the Balance Committee brought first one suit,\* which never came to trial, and then another,\*\* the last of which was ultimately lost after a series of postponements and several days of testimony. Rehabilitation on the Inn went ahead as planned.

Although the Balance Committee failed to win any of its suits to stop the production of subsidized housing, the continuing threat of litigation brought to an end any attempts to resolve the conflict or to reconcile the adversaries. During a trip to Washington in the Summer of 1976, several members of the Balance Committee succeeded in convincing HUD Secretary Carla Hills to impose a moratorium on the construction of any additional subsidized housing in the South End. The moratorium, which is technically still in effect, was responsible for permanently stopping the construction of Headstart Housing, a 145-unit, low and moderate income housing development.

\* Coalition of Concerned South End Citizens vs. Pine Street Inn, Inc. Superior Court, January 1976.

\*\* Satran vs. Kenney, Boston Housing Court, August 1976.

Throughout this tense period, the BRA moved forward in its attempt to complete the renewal plan, trying diligently to avoid favoring one group at the expense of the other. That 300 middle and upper middle income young professionals have used close to \$9 million in BRA rehabilitation funds during the past ten years to fix up almost 800 dwelling units in these comfortable, early Victorian rowhouses, is vivid testimony to the success of the renewal effort, not to mention countless others who have undertaken conventionally financed rehabilitation.

Contrary to the conventional wisdom, however, the South End has not become another Georgetown. Since 1960, when planning with the BRA started, the proportion of Black, Hispanic and Chinese residents has increased from 42 to 63 percent.\* And, despite the movement into the South End of substantial numbers of middle class families, the neighborhood's median family income has risen from only \$4,542 in 1960 to \$7,000\* in 1977, still below the city-wide figure of \$10,000 and not much above the recently revised poverty level of \$6,200. Finally, that more than 4,000 units of subsidized housing have been built or rehabilitated during this time is more than ample evidence of the Authority's commitment to providing standard housing at rent levels affordable by lower income residents. The clear and simple fact remains that, were it not for the BRA and the urban renewal program, no subsidized housing would have been built at all in the South End after 1960.

\* Estimates based on statistics in the 1977 report by Hart Associates.

Most importantly, that the BRA has succeeded in both improving the physical environment of the South End and at the same time in meeting the housing needs of more than 4,300 lower income families, is a clear indication of the Authority's long-standing impartiality with respect to this complex and controversial issue. In addition, the Authority will have spent more than \$60 million for public improvements in all sections of the South End of benefit to virtually each and every South End resident. The BRA is firmly committed to completing the South End Urban Renewal Plan in a way that improves the quality of life for all residents of the neighborhood, not just a select few, and in a way that preserves, maintains and strengthens the diversity of the South End community.

### III. STATUS OF THE SUBSIDIZED STOCK



### III. STATUS OF THE SUBSIDIZED STOCK

#### A. NEW LOW AND MODERATE INCOME HOUSING

In its minutes of April 5, 1965, the Urban Renewal Committee held that

"from the very beginning, this committee has committed itself to work for the best interest of the entire South End. The fact remains that we have a large percentage of low income families and we would be remiss in our duty if we did not try to get decent, safe and sanitary housing for these people."

The Committee served as the mechanism for legitimatizing the aggregate amount of subsidized housing to be brought into the area under renewal, and the process of negotiation at the neighborhood level provided locations for that housing.\*

As a result of the Committee's deliberations, the Urban Renewal Plan calls for the constructin of 2,500 new moderate income units, 300 new public housing units, and 500 new elderly units, for a total 3,300 new subsidized dwelling units.

To date, 1,652 new subsidized family units have been built or are under construction, and 585 are in processing, for a total of 2,237.

In addition, 540 units of public housing for the elderly have been completed or are under construction.

NOTE: The 300 units of new family public housing proposed in the Plan have not been built because it is not possible to provide this type of housing in Massachusetts within the construction cost limits of this program.

\* Keyes, Langley Carlton, Jr. The Rehabilitation Planning Game. Cambridge, MA: MIT Press, 1969. Chapter III.

NEW SUBSIDIZED HOUSING UNITS COMPLETED OR IN PROCESSING

| <u>PROGRAM</u>  | <u>DEVELOPMENT</u>  | <u>NO. OF UNITS</u> |
|---|---|---------------------|
| HUD 221(d)(3), 221(d)(4)<br>221H, Section 8, and 312<br>(only where used for low/<br>moderate rental) | Viviendas I, 1/77   | 181                 |
|   | Willard Place -<br>Tuckerman 10/72  | 160                 |
|   | Westminster -<br>Tuckerman 10/72  | 120                 |
|   | Grant (Brightmore) 12/72  | 180                 |
|   | Concord Homes - Housing<br>Innovations 77   | 181                 |
|   | Castle Square 6/67  | 499                 |
|   | Methunion 6/71  | 150                 |
|   | Camfield Gardens 7/72   | 134                 |
|   | Roxse   | 364                 |
|   | W. Concord & Rutland<br>102/72 (aka Rutland Housing<br>Assoc. or Mass Housing<br>105, 107 W. Concord<br>26-30 Rutland Street) | 44                  |
|   | Viviendas II*   | <u>207</u>          |
|   | TOTAL HUD NEW   | 2,220               |

\* In processing.



NEW SUBSIDIZED HOUSING UNITS COMPLETED OR IN PROCESSING

| <u>PROGRAM</u>  | <u>DEVELOPMENT</u>                 | <u>NO. OF<br/>UNITS</u> |
|---|------------------------------------|-------------------------|
| MHFA projects - low and moderate totals only  |                                    | 0                       |
| BHA Elderly and Turnkey   | Northampton & Comet Place 10/73    | 78                      |
|   | Tremont & Worcester/W. Springfield | 78                      |
|   | ETC Elderly, Feliano               | 204                     |
|   | Washington, #784                   | 78                      |
|   | Castle Square Elderly (Section 23) | <u>102</u>              |
| TOTAL BHA ELDERLY NEW   |                                    | 540                     |
| BHA - private market, scattered leased housing (excludes units in 236 and 221(d)(3) projects, etc.) |                                    | 0                       |
| BHA Public Housing construction prior to 1965 renewal plan  | Cathedral/South End Housing 5/51   | 508                     |
|   | Lenox Street 12/40                 | 306                     |
|   | Camden Street 10/49                | <u>72</u>               |
| TOTAL BHA EXISTING  |                                    | 886                     |
| Other BHA owned or financed housing   |                                    | 0                       |
| New Construction  |                                    | 2,760                   |
| BHA Public Housing Prior to 1965  |                                    | + 886                   |
| TOTAL   |                                    | <u>3,646</u>            |

## B. REHABILITATED LOW AND MODERATE INCOME HOUSING

In formulating the Plan, the Urban Renewal Committee and the Neighborhood Associations agreed that 3,300 units of new low and moderate income housing should be constructed for families and the elderly. Yet the various groups involved in the planning process were aware that some form of additional subsidized housing was required to meet the needs of the large number of poorer residents in the South End. Thus, rehabilitation of tax foreclosed properties by non-profit developers was proposed as an acceptable means of providing this additional subsidized housing.

Furthermore, initial estimates suggested that residential rehabilitation would require about \$3,000 per dwelling unit for a typical South End Row House, an amount theoretically low enough to maintain rents within limits which the existing tenancy could afford (the median income in the South End in 1960 was \$4,542).

Actual rehabilitation costs, however, far exceeded the amount originally anticipated. The rehabilitation of South End rowhouses presents special problems and requires unique solutions.\* By 1974, the average cost of rehabilitation had climbed to more than \$9,000 per dwelling unit, while the median income in 1970 in the South End has only increased to \$6,122.

\* Whittlesey, Robert B. The South End Row House. Boston, MA. 1969.

It became apparent soon after Plan approval that -- in spite of non-profit status, availability of tax-foreclosed properties, below market interest rates, experienced project teams, and tax-relief (Chapter 121A) -- rehabilitation of a South End rowhouse for occupancy for low and moderate income tenants was feasible only when provision was made for some form of rent subsidy.

Therefore, in order to accommodate the housing needs of lower-income residents, the Authority sold a number of buildings to local non-profit and limited-dividend developers for rehabilitation under a wide variety of local, state and federal assistance, including the Boston Housing Authority's Leased Housing and the Federal Housing Administration's Rent Supplement Program.

REHABILITATED SUBSIDIZED HOUSING

| <u>PROGRAM</u>  | <u>DEVELOPMENT</u>   | <u>NO. OF UNITS</u> |
|---|--|---------------------|
| HUD: 221(d)(3), 236,<br>221(d)(4), 221H & 312 where<br>used as low/moderate - cont'd<br>from page 1 | TDC I 2/72 (20 bldgs.)   | 100                 |
|   | ETC Parcel 19 Rehab I<br>610-626 Tremont<br>336-346 Shawmut  | 71                  |
|   | LCH 46 bldgs. scattered<br>221(d)(3) and 236   | 73                  |
|   | W. Concord Apartments<br>68 W. Concord, 282 Columbus Ave<br>562 & 4 Mass Ave.  | 74                  |
|   | TDC II & Wingate (36 bldgs)  | 185                 |
|   | SECD - (GBCD) 221(d)(3)<br>38 E. Springfield 5<br>10 Dartmouth 5<br>23 Greenwich Park 5<br>216 Northampton 5<br>43-45 Dwight 5<br>210-212 Northampton 9<br>220-224 Northampton 12<br>Tremont Houses 23<br>549-551 Mass Ave. 10 | 83                  |
|   | SECD (GBCD) 312  | 10                  |

REHABILITATED SUBSIDIZED HOUSING

| <u>PROGRAM</u>                                | <u>DEVELOPMENT</u>   | <u>NO. OF UNITS</u> |
|---|--|---------------------|
| HUD cont'd                                    | HABCO (King-Bisson)<br>(including 22 units 312),<br>2, 4, 16-22 Greenwich St. &<br>90-96 Hammond Street<br>(in poor shape - might be low<br>occupancy) | 34                  |
|   | Mass. Housing (Morgan Memorial)<br>538 Mass Ave. (312 loan)  | 8                   |
|   | Mass Housing Defaulted (312 loan)<br>62, 64, 79 Rutland<br>34 E. Springfield<br>416 Columbus (312 loan)<br>(Now owned by BHA & counted<br>under BHA)   |                     |
|   | Warren Apts. 25, 31-37 &<br>51 Warren George Fraholi 221(d)(3)   | 30                  |
|   | South End Apts.<br>*Boarded as of 10/77<br>19, 21, 23, 25 Walpole St. a/k/a<br>Eastern Gas & Fuel or Walpole Cunnard Apts.                             | 28*                 |
|   | Franklin Square House 6/77<br>(Elderly) Section 8  | 193                 |
|   | ? 772-778 Columbus<br>Boarded rehab  | ?                   |
| TOTAL HUD REHAB                               |  | <u>889</u>          |
| MHFA projects - low &<br>moderate totals only | The Brownstones 7/72   | 35                  |
|   | New Castle - Sarnac 9/74<br>599-627 Columbus Avenue  | 97                  |
|   | Ebenezer Home 12/72<br>160-174 W. Springfield  | 32                  |
|   | Project 3 5/74<br>149-155 Worcester, 3 Columbus Sq.<br>(same as 2 Warren Ave.)   | 63                  |
|   | Piano Craft (+ 44 marekt not counted)  | 130                 |

REHABILITATED SUBSIDIZED HOUSING

| <u>PROGRAM</u>  | <u>DEVELOPMENT</u>   | <u>NO. OF<br/>UNITS</u> |
|---|--|-------------------------|
| MHFA cont'd   | The Chester 11/74<br>521, 525, 528, 550 Mass Ave.  | 29                      |
| TOTAL MHFA REHAB  | Blacket infill? 7/74   | <u>6</u><br>392         |
| BHA Elderly & Turnkey   |  | 0                       |
| BHA - private market,<br>scattered lease housing<br>(excludes units in 236 &<br>221(d)(3) projects, etc.) |  | 125                     |
| TOTAL   |  | <u>125</u>              |
| Other BHA owned or<br>financed housing  | Rutland & E. Springfield<br>(take over of foreclosed<br>312 rehab 10/77) ETC to manage                       | 14                      |
|   | 52-102 W. Newton Street<br>Managed by ETC. (contains<br>98 elderly units?)<br>(Community Development 12/73)  | 136                     |
|   | Pine Street Inn - 350 beds<br><br>(State 689 handicapped housing<br>program. <u>Not counted as housing</u> ) | <u>        </u>         |
| TOTAL BHA REHAB   |  | 150                     |

TOTALS

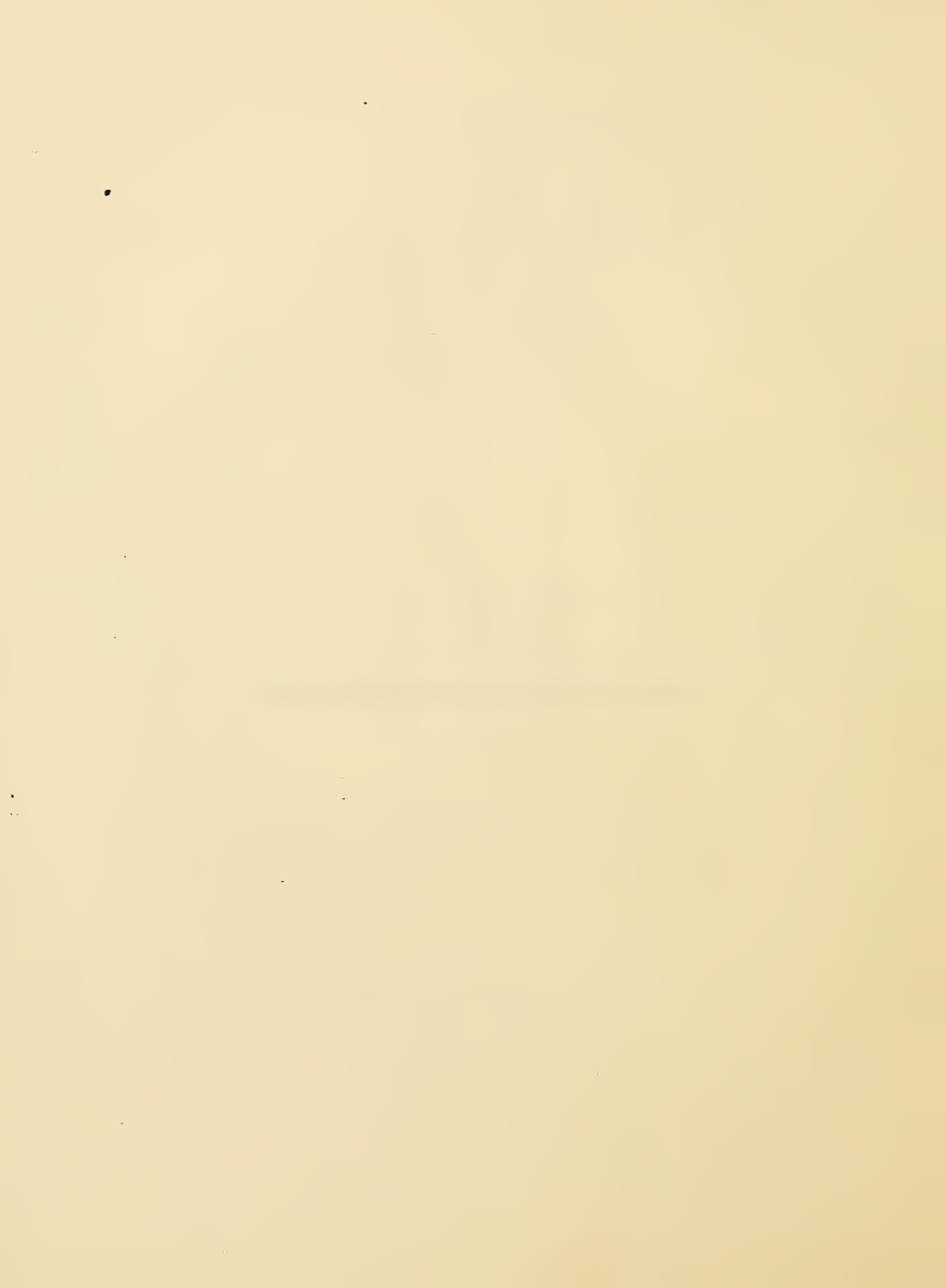
| <u>Program</u>  | <u>Rehabilitation</u> | <u># Units</u> | <u>New Construction</u> | <u># Units</u> |
|---|-----------------------|----------------|-------------------------|----------------|
| HUD 221d3, 221d4, 236   |                       | 696            |                         | 2,013          |
| MHFA  |                       | 392            |                         |                |
| HUD Section 8   |                       | 193            |                         |                |
| BHA Turnkey, etc.   |                       | -0-            |                         | 540            |
| BHA scattered leased  |                       | 125            |                         |                |
| Other BHA after '65   |                       | 150            |                         |                |
|   |                       | <u>1,556</u>   | Total 4,109*            | <u>2,553</u>   |
| BHA Public Housing<br>prior to 1965                                   |                       |                |                         | 886            |
| New Subsidized Housing  |                       |                | 4,316                   |                |
| Existing BHA public housing   |                       |                | <u>886</u>              |                |
| Total Subsidized Stock  |                       |                | 5,202                   |                |
| Total Number of Dwelling Units in South End<br>(including subsidized) |                       | 13,000         |                         |                |
| Percentage of Subsidized Stock  |                       |                | 40%                     |                |

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#### IV. CONCLUSIONS AND RECOMMENDATIONS



#### IV. CONCLUSIONS AND RECOMMENDATIONS

##### A. CONCLUSIONS

In order to retain a certain degree of flexibility in the midst of emerging federal housing programs, the 1966 South End Urban Renewal Plan did not specifically define the total number of subsidized housing units to be constructed and rehabilitated within the Project Area. Moreover, in formulating the Plan, local community representatives and the BRA Project staff, while seeking to accommodate the housing needs of the poorer neighborhood residents, were unable to anticipate the excessive costs of rehabilitation.

In response to the need for low and moderate income dwelling units in the South End, the BRA, with community support and approval, has given top priority to the provision of subsidized housing wherever and whenever feasible. Using a variety of state and federal programs, 4,316 new and rehabilitated dwelling units have been constructed and rehabilitated or are in processing by local non-profit and limited dividend developers in order to meet the housing needs of low and moderate income families and individuals.

In spite of these significant accomplishments, there can be no doubt that some forms of housing deprivation still exists in the South End -- families continue to reside in physically inadequate housing or in overcrowded conditions, bear and unusually high rent burden relative to their low incomes, or live in blighted neighborhoods.\* Furthermore, prevailing market pressures will continue to dislocate low income families.

\* Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University. America's Housing Needs; 1970-1980. Cambridge, MA 1973.

The BRA, however, will no longer give top priority to the development of 100 percent subsidized housing projects within the South End Urban Renewal Area, for the following reasons:

1. THE OBJECTIVES OF THE RENEWAL PLAN HAVE BEEN MET

With respect to the goals and objectives outlined in the 1966 Renewal Plan, the 4,316 new and rehabilitated subsidized housing units completed and in processing, have fulfilled the Authority's commitment in this regard.

2. FUNDING CUTBACKS HAVE RESTRICTED PARCEL AVAILABILITY

Even if this responsibility had not been met, dwindling federal resources and stringent environmental requirements would force to a halt additional housing production. Under new Community Development Block Grant guidelines, diminished government funding has sharply curtailed the BRA's ability to complete acquisition, relocation and clearance on most of the remaining parcels scheduled for residential development.

3. OTHER NEIGHBORHOODS NEED THE SUBSIDIES

There is already so great a proportion of housing subsidies now in the South End that other neighborhoods throughout the City are now of a higher priority.

Assisted Units in Boston's Planning Districts

|                                | <u>NO. OF UNITS</u> |
|--------------------------------|---------------------|
| 1. East Boston                 | 2,000               |
| 2. Charlestown                 | 1,711               |
| 3. South Boston                | 3,246               |
| 4. Central                     | 919                 |
| 5. Back Bay/Beacon Hill        | 270                 |
| 6. South End                   | 4,909               |
| 7. Fenway/Kenmore              | 1,420               |
| 8. Allston/Brighton            | 2,943               |
| 9. Jamaica Plain/Parker Hill   | 3,318               |
| 10. Washington Park/Model City | 7,216               |
| 11. Dorchester                 | 3,639               |
| 12. Roslindale                 | 995                 |
| 13. West Roxbury               | 612                 |
| 14. Hyde Park                  | 1,363               |
| 15. Mattapan/Franklin          | 1,743               |
| TOTAL                          | 36,304              |

Note: Includes units under management and under construction as of August, 1976.

During the 1979 Program Year, Section 8 construction and substantial rehabilitation assistance will focus on Boston Plan and Neighborhood Strategy Areas. The City will also emphasize the

rehabilitation of HUD-held, HUD-owned, and other troubled properties, including MHFA's, using Section 8 as necessary.

4. AREAWIDE HOUSING OPPORTUNITY PLAN

On January 16, 1978, HUD published rules and regulations with regard to the Areawide Housing Opportunity Plan. The program objective is to provide for a broader geographical choice of housing opportunities for low-income and minority households, with the Areawide Housing Organization taking the lead role.

The City of Boston has offered to work actively with the appropriate state agencies, specifically, the Department of Community Affairs and the Metropolitan Area Planning Council, to secure support.

The City is prepared to assist the State with the development and implementation of such a plan. Our participation is essential because of the socio-economic imbalance between the City and rest of the SMSA. While Boston contains 25 percent of the total population of the SMSA, we house over 40 percent of the area's poor and near poor (i.e., households with annual income less than \$5,000), and over 75 percent of the area's non-white residents.

Public and subsidized housing, (15-20 percent of the City's total housing stock) is constituted as follows:

25% - 10,000 units for the elderly (4,100 in the past 3 years)  
48% - 19,500 units for families  
27% - 11,000 units for large families  
100%



These estimates (1978) indicate that the City has made a concentrated effort to meet the housing needs of low-income families and it is willing to match our record against the metropolitan area as a whole. The overwhelming need for low-income housing must now be addressed on a metropolitan level.

The Housing Assistance Plans for CD Years I-IV have proposed sites for new construction and substantial rehabilitation of assisted housing in neighborhoods throughout the City which would help to promote a greater and more varied housing choice for low-income and minority residents. The City also takes into account those valid indicators of housing needs that are neighborhood specific, such as the BHA waiting list, .

5. THE FINANCIAL AND SOCIAL FAILURE OF SUBSIDIZED HOUSING

Finally, although federal subsidy programs have contributed to the development of over 4,000 units of new and rehabilitated housing in the South End, unforeseen problems have accompanied the construction, maintenance and management of many of the projects. Of the 28 housing developments located within the South End, 14 or 43 percent are in serious financial difficulty. If these complex economic, social, programmatic and environmental problems are not dealt with promptly and directly, many new low-rent units may be irrevocably lost through resale and subsequent conversion to market rentals.

## 6. CAUSES FOR THE HOUSING FAILURE

The basic concept behind the mortgage interest subsidy programs (Sections 221d3 and 236) developed around the notion that if the cost of borrowing could be reduced low enough, decent housing could be provided at low cost. During the past few years, however, operating costs have escalated beyond the tenants' ability to pay, forcing the projects into serious financial difficulty.

These problems can in part be attributed to the underestimation of construction and operating costs prior to development, which may have occurred for several reasons: deliberate attempts by developers to underestimate costs in order to remain within FHA cost limits; increasing construction costs, exacerbated by unforeseen construction delays; and the escalation of operating costs due to inflation, poor construction, or unexpectedly serious wear and tear or turnover. Underestimation of operating costs was in fact encouraged by the housing programs themselves, which provided incentives for production rather than for on-going maintenance and management.

But perhaps the single largest factor in the failure of the insured subsidized mortgage programs is their persistent orientation toward producer (developer) versus consumer (tenant) subsidies. The insured subsidized mortgage programs, ostensibly created to aid the low income tenant, have placed that tenant at the end of a long and porous subsidy pipeline, with the bank or mortgagee and the builder sponsor reaping a disproportionately large share of the benefits. Because of the poor performance record of mortgage interest subsidy programs throughout the country, HUD now uses Section 8 rental assistance to house low-income families.

## 7. SECTION 8 RENTAL ASSISTANCE

Under the new Section 8 rental assistance program, housing construction is financed conventionally, resulting in very high rentals. The tenants however, only pay a percentage of their income for rent, while the government makes up the difference to the developer, thereby guaranteeing a long-term income stream. But because this program is still directed to (and in fact designed by) the developers rather than the tenants, the following fundamental problems continue to exist:

- (1) Per unit, construction cost limits established by HUD are far higher than necessary, and are therefore inflationary, making it increasingly more difficult to build new multi-family housing without government assistance;
- (2) excessive per unit costs also produce contract rentals out of the range of middle or upper-middle income families, thereby discouraging desirable income mixing. In short, Section 8 units are so expensive that only the very poor can afford to live in them; and
- (3) most importantly, the history of low income housing production provides strong evidence that consumer subsidies - direct housing allowances -- are more effective than producer subsidies.

## B. RECOMMENDATIONS

In light of the above conclusions, the BRA will review the impact of the following alternative housing strategies.

1. DIRECT HOUSING ALLOWANCES

The Boston Redevelopment Authority strongly supports the concept of a direct housing allowance. Under this program, each household would receive a monthly rent certificate worth the difference between what the family can afford to spend on rent (based on a percentage of its income) and the cost of standard housing in the private market. The family would then seek its own housing in the private market and use the certificate for partial payment, the certificate would have to be validated by the local codes agency, and only standard housing units could be selected. It is also necessary that safeguards be incorporated into the program to assure that those receiving such certificates would have equal opportunity to secure housing of their choice.

Preference for direct housing allowances might be given to tenants presently residing in low and moderate income housing as the means of achieving fiscal stability, or as the result of default and conversion to conventional financing, where such increases significantly exceeded 25 percent of their ability to pay for the housing.

There are several advantages to this approach:\*

- a. The most obvious beneficiaries of direct housing consumer subsidies would be low income tenants. Funds appropriated by Congress would reach them practically undiluted.

\* Hanover, Gerald S. The Causes of the Financial and Social Failure of Low Income Rental Housing. Unpublished 1977.

Rather than building large, highly visible low-income developments, a direct housing allowance program permits poorer tenants to achieve greater mobility and to become better integrated into existing neighborhood housing stock.

- b. From the standpoint of both the government and the taxpayer, a system which provides direct aid exclusively to low income tenants is desirable because it is easily implemented. The government's only involvement, aside from the appropriation of funds, would be the periodic certification of applicants for tenant subsidy. Eliminating government responsibility for insuring mortgages, for producing feasibility studies, and for inspecting construction will prevent the spending of tax dollars on functions which the government has never been able to perform satisfactorily in the first place.
  
- c. The production and financial sector would also benefit. Providing low income families with the means to afford market rate housing will increase the effective demand on housing units, thus making it economically feasible for builders to produce new units. The banking industry will in turn benefit from the increased effective demand on construction and mortgage loans.



- d. Finally, the removal of production sector subsidies will foster the development of more efficient and innovative housing production methods.

Although HUD's experimental housing allowance program is woefully underfunded at the present time, HUD is becoming increasingly concerned about the impact of renewal on many inner city neighborhoods and the consequent displacement of lower income families. The South End would therefore appear to be a logical candidate for a housing allowance experiment of this sort, similar to ones being tried in other parts of the country.

## 2. FUTURE DEVELOPMENTS MUST GUARANTEE A LONG-TERM INCOME MIX

Past experience clearly demonstrates that most fully subsidized developments have had considerable difficulty maintaining long-term social and financial stability. As part of a concerted effort to avoid these persistent problems in the future, the BRA will support those proposed housing developments, beyond those currently designated, that include a substantial number of market rate units, in order to guarantee a feasible and realistic income mix over an extended period of time. While the actual percentage of assisted units per project may vary slightly according to location, density and other factors, the BRA recommends that prospective developers

provide, as a general guideline, up to 25 percent of their total rental units for low and moderate income families and individuals.

3. INNOVATIVE PROGRAMS FOR MODERATE INCOME HOMEOWNERSHIP

The BRA is now providing, for the first time, homeownership opportunities for South End families whose annual incomes fall between \$10,000 and \$15,000. The prototypes for this program are the eleven buildings in the O'Day Block on Columbus Avenue, across the street from the site of the Tent City Demonstration 10 years ago. The Authority has been working closely with the Tent City Task Force in putting this program together and is currently in the final stages of the homeowner selection process. If the concept proves to be successful, other BRA and city-owned structures may be rehabilitated in a similar fashion. The BRA finally recommends that every effort be made by both the private and the public sector to make moderate income homeownership available to South End families who wish to remain in their neighborhood but are unable to purchase housing on the open market.

4. SAFEGUARDING THE INTERESTS OF RESIDENTS IN HUD-INSURED, HUD-HELD, AND HUD-OWNED DEVELOPMENTS

Over 40 percent of the new and substantially rehabilitated subsidized housing developments in the South End, built under Section 221(d)3 and 236, are in critical financial difficulties; the remainder face serious programmatic, economic and social problems.



Considerable differences exist between developments, including size, location, condition, tenancy, management, and ownership, as well as the degree of financial difficulty. As these various components are identified and categorized, separate strategies can then be tailored to remedy specific difficulties.

The City intends to make its approval of Section 8 funds to selected projects conditional upon the City's estimation of the owner's, or prospective owner's, managerial capabilities. The City will not allow the use of its Section 8 allocation to subsidize irresponsible management.

The City will continue to work with HUD in a mutual effort to protect the rights and interests of tenants in HUD-insured, HUD-held, and HUD-owned developments.

APPENDIX: Housing Related Excerpts from The 1966 Plan



## THE 1966 PLAN FOR THE NEW SOUTH END

Throughout the planning process, both the Urban Renewal Committee and the Neighborhood Associations intended that urban renewal would ultimately improve the quality of life in their community for property owners, tenants, families and the elderly.

The following housing related excerpts are presented verbatim from the South End Urban Renewal Plan and Part I of the Loan and Grant application, and directly reflect the concerns and intentions of the Urban Renewal Committee and the Neighborhood Associations.

## THE SOUTH END URBAN RENEWAL PLAN - 1966

### A. Basic Housing-Related Goals and Objectives\*

- provide, in appropriate areas, new housing units which provide the highest level of amenity, convenience, usefulness and livability which are within the income requirements of the residents of the community;
- provide an economically, socially and racially integrated community; and
- provide new housing specifically designed to meet the needs of the numerous elderly residents of the community.

### B. Rehabilitation\*

- all properties and buildings within the Project Area not designated for acquisition are to be maintained at or brought to a level which achieves a decent standard of safe and sanitary housing and shall be made to conform to all applicable state and local laws, ordinances, codes and regulations.

### C. Relocation of Families and Individuals\*

#### 1. Families to be Displaced

- approximately 1,730 families and 1,820 single person households reside in clearance sections of the Project Area;

\* The South End Urban Renewal Plan

- of the total 3,550 households, about 2,412 (69 percent) need one-bedroom units or similar housing;
- almost three out of every four families are expected to move into private rental housing;
- one out of five (746) are expected to move into public housing;
- nearly two out of every three (2,325) households are eligible for low rent public housing, but preferences indicate that fewer will desire to relocate into such housing;
- it is expected that the majority of families who will relocate into public housing are elderly persons.

## 2. Availability of Relocation Housing\*

From analysis of housing needs and requirements, including the percentage of aged owner-occupants who are expected to prefer either public housing or privately improved tenancy, the following conclusions as to the selection of new and improved houses have been determined:

\* Loan and Grant Application Part I

a. Rehousing in Low Rent Public Housing

It is estimated that 746 families and aged individuals by reason of limited income, age and other factors of eligibility will be relocated into public housing.

The proposed rehousing of displaced families and single persons in public housing is based on:

- normal turnover in federally-aided low rent public housing, including accommodations for the elderly;
- turnover in state-aided housing and housing for the elderly; and
- new construction.

The Boston Housing Authority currently operates 886 dwelling units of various sizes in the South End. They have reported a turnover of up to 100 units each year.

Public housing units in the existing housing inventory are available on a preferential basis to displaced families and individuals. The combined estimated need for public housing - 746 units - would be spread over a seven year displacement period.

In addition, the South End Urban Renewal Plan proposes 800 units of new public housing, 500 of which are proposed for the elderly. Furthermore, referrals of



structures for residential rehabilitation have been made to the Housing Authority. This resource will add to the housing resources for relocation.

b. Rehousing in Standard Private Rental Housing

2,390 families and aged individuals are expected to choose to continue to rent in either existing or newly created private rental housing. The proposed rehousing of displaced families and single persons in standard private rental housing is based on the vacancies expected to be available from turnover (approximately 5%) and in newly constructed moderate rental units throughout the City of Boston during the displacement period.

c. Rehousing in Standard Private Sales Housing

It is estimated that 414 families and aged homeowners have either been long-term owners with substantial equity in their own property or have the financial resources to express a preference for purchase or to be persuaded to purchase homes as an improvement over domiciles. The proposed rehousing of displaced families and single persons in standard private sales housing is based on vacancies expected to be available during the displacement period.

d. Anticipated New Construction and Rehabilitation

Many sites have been proposed within the Project Area for housing construction, some of which are already predominantly vacant.

Although housing resources in the existing housing inventory are estimated to be adequate to meet relocation needs, new housing is proposed as part of the project program. Based on ability to pay for housing, it is estimated that approximately 25% of the families and single persons could use the new private rental housing constructed during the displacement period. Rental housing constructed on BRA acquired sites will be under the 221(d)(3) program. An estimated 2,500 such units are proposed in the South End.\*

The South End renewal team has been working with non-profit housing sponsors to implement a lower rental rehabilitation program, and will continue to work with these groups to provide decent, improved housing at rents and prices within the ability to pay ranges of lower income families.

In accordance with federal and state regulations, site displacees have priority for occupancy of housing construction in renewal areas. Developers or builders

\* Up to 550 of these units are expected to have BHA leasing or Rent Supplement for low-income tenants.

constructing new housing in the Project Area will be required to conform to all appropriate laws and regulations in this respect.

3. Standards for Relocation

a. Ability to Pay

For private rental or sales housing, ability to pay twenty to twenty-three percent of family income for gross housing costs is considered a practicable standard, except where unusual conditions exist. This standard is in conformance with accepted practices in the private housing market.

4. Assumptions and Conclusions as to Housing Resources and Requirements

Analysis of housing requirements and resources has led to the conclusion that available public and private housing resources in the City of Boston are adequate to meet the housing needs of families and single persons to be displaced from the clearance sections of the Project Area.

SUMMARY OF AVAILABILITY OF RELOCATION HOUSING

|   |            |
|---|------------|
| Households to be relocated in existing private rental units                       | 1,800      |
| Households to be relocated in newly created private rental units                  | 600        |
| Households to be relocated in existing Public Housing (100 per year over 7 years) | 750        |
| Households to be relocated in sales housing                                       | <u>400</u> |
| Total number of households to be relocated  | 3,550      |

Of this total, two-thirds, or 2,325 households are eligible for low rent public housing.

PROJECTED AVAILABLE NEW HOUSING

|  |              |
|--|--------------|
| New Moderate Income Units (including up to 550 low-income units) | 2,500        |
| New Public Housing Elderly Units                                 | 500          |
| New Public Housing Family Units                                  | <u>300</u>   |
|  | <u>3,300</u> |

NOTE: Section 502, paragraph "e" of the Renewal Plan, entitled Rehabilitation Demonstration Housing, states:

Under rehabilitation demonstration programs which can be undertaken by the Authority, up to 100 rehabilitated dwelling units in the South End may be rehabilitated for residential use. Preferences in such accommodations will be given to families and individuals to be relocated.

This program was initially conceived as a mechanism whereby the BRA could refurbish a limited number of dwelling units in an effort to promote and encourage private rehabilitation while providing some relocation housing. In no sense was it ever intended to define the maximum number of units to be rehabilitated for low income tenants.

Subsequent to Plan approval, however, the BRA concluded the local, non-profit developers would be (1) more suitable to undertake rehabilitation than the Authority, and (2) would be able to take advantage of other federal programs better directed at the needs of lower income residents.



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